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151st PLENARY SESSION

The Economic and Social Committee of the European Communities held its 151st Plenary Session in Brussels on 28 and 29 September. The Chairman of the Committee, Mr Basil de FERRANTI, presided.

Commissioner GIOLITTI took part in the discussion on regional matters.

Opinions adopted

1. Industrial Change and Employment

The Economic and Social Committee adopted by 63 votes to 31, with 1 abstention its Opinion on

Industrial Change and Employment -- A Review of the Community's Industrial Policy and Future Prospects

In its Opinion, the Committee says that recent years have seen extensive changes in conditions inside and outside the Community, in technology, in trade patterns, etc. Further rapid significant changes are on the cards. The industrialization of the LDC's for example will provide Community industry with major new production and, probably, employment opportunities. But it will also expose Community industry to greater competition in many sectors.

If it is not domestically and internationally competitive and adaptable to needs, Community industry will be unable to meet the challenge which will be presented by future developments.

The coming changes will demand constant, extensive adaptation and restructuring in the industrialized countries. This, in turn, will demand the maximum possible flexibility from all parties involved. Flexibility will be easiest to obtain by ensuring that medium-term planning caters in advance for industrial change.

The aim of the common industrial policy must therefore be the creation of an optimum environment for a competitive industrial sector.

To do this :

- a) It must ensure that the social side - and in particular the purchasing power of wages and salaries, especially those of the lower-paid - improves for all employees and that better conditions of work, health and safety obtain in firms.
- b) It must embrace completion of the common market, including abolition of technical barriers to trade, and of barriers to a free Community market for public purchasing;
- c) It must make for an optimum environment which fosters innovation, research and development;
- d) If new or ailing production sections are granted protection or assistance, the common industrial policy must spell out the relevant, common guiding principles;
- e) The impact of national aids on both the market and the employment situation must be known in detail and periodically reviewed by the Economic and Social Committee;

- f) The common industrial policy must be based on up-to-date statistics on production, employment, export and import trends. Such statistics are necessary for a proper analysis and discussion of industrial policy issues; they must be compiled as soon as possible;
- g) It must create an environment in which small and medium businesses can be established and trade successfully;
- h) It must contribute to the creation of an optimum climate for industrial investment and its financing, by taking advantage of progress towards the coordination of economic monetary, and tax policies in the Community;
- i) It must envisage suitable arrangements for mobilizing at Community level, the resources needed for investments;
- j) It must align the laws on bankruptcy at Community level. Consideration should be given to the possibility of introducing throughout the EEC an early-warning system for detecting ailing firms;
- k) It must - on the basis of reasonable growth rates and reasonably stable economic and monetary conditions in the Community and the world at large - contribute to the reduction of unemployment;
- l) It must put forward concrete measures to encourage a shift of emphasis towards viable firms that guarantee :
 - a high level of good quality jobs;
 - savings in raw materials and energy;
 - the satisfaction of real individual and collective needs through the production of high-quality goods and the provision of high-quality services at the lowest possible prices;
 - the production of non-polluting products which can be recycled and which further the drive against waste;

- m) It must be backed up by an external trade policy comprising for instance uniform export-credit guarantees, guarantees for investment in LDC's and reliable access to essential supplies as well as temporary protection measures for sectors suffering from abnormal competition;
- n) Equally, the common industrial policy must fit in with the Community's external policies and contribute actively to the process of adjustment and innovation which alone can make the Community a healthy and reliable partner in world trade.

A common industrial policy which adopts a dynamic rather than a passive approach to coming developments, and which seeks to tailor economic structures to current circumstances and future needs, will be instrumental in reducing and eliminating unemployment. The Community will lose out in the forthcoming adjustment process if it pursues an industrial policy which seeks to preserve the status quo, rather than adjust the industrial sector to a changing world; if this happens the plight of the Community's unemployed will be even worse and the prospects of those who have jobs will be still more uncertain.

The Committee Opinion was based on material supplied by the Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HEMMER (Luxembourg - Employers). The Rapporteur was Mr CARSTENS (Denmark - Employers).

2. Regional Policy Guidelines

The Guidelines for Community Regional Policy

Gist of the Commission's Proposal

The Commission states that rich and poor regions still exist side by side in the Community, and the gap has not narrowed since the Common Market's inception. The recession and the policies pursued

in various sectors (agriculture, external trade, etc.) have aggravated the plight of certain regions, and thus impeded economic integration and a fair distribution of affluence and social goods.

The Commission says that regional policy should include special regional development measures and bring a "regional dimension" to the policies pursued in other economic and social sectors. The aim is to narrow existing regional inequalities and prevent further inequalities from arising.

The Commission proposes the establishment of machinery for evaluating trends in Community regions and the regional implications of economic and social policies? This would provide a basis for the fixing of guidelines for the regional policies to be pursued by the Member States and the Community.

Coordination of national regional policies will be based on the guidelines to be set by the Council and the regional development programmes of the Member States. The Commission is concerned in particular to bring about the coordinated use of disincentives to investment in developed regions and the coordination of infrastructure projects, especially in internal frontier regions and to ensure that Regional Fund resources are used to increase, and not to replace, national funds.

The principal financial instrument of Community regional policy is still considered by the Commission to be the Regional Fund. But the Community's effective contribution to regional development

will be greatly increased by the coordinated use of all Community financial instruments, including loan facilities.

The Commission thinks that the Regional Fund should be divided into two sections - one section being subject to Member State quotas (650 million EUA in 1978), and the other not being subject to such quotas (100 million EUA in 1978). The amount of support provided by the Fund should vary with the nature and extent of the problems to be tackled; the Fund should be able to contribute up to 50% of the cost of infrastructure schemes.

The Commission intends to propose the establishment of a body to study regional problems. This should provide a framework for consultation between the Community institutions, the Member States, the social partners and regional and local representatives.

Gist of the Opinion

The Economic and Social Committee adopted by a large majority with no votes against and 2 abstentions its Opinion on this subject.

The Committee welcomes the guidelines for Community regional policy and considers that the Commission's document represents an important step in the development and implementation of this policy.

In the absence of further progress towards political - and more particularly - economic integration in the Community, the Committee thinks that regional policy must be a driving force in this direction; it cannot, however, replace other integration measures.

The Committee once again presses for effecting use of the ERDF's resources. This entails in particular setting realistic targets that can be checked, and using appropriate instruments to implement measures and monitor results.

The Committee approves the division of the Fund into a "quota section" and a "non-quota section". The latter will come more specifically under Community control and will increase the scope for helping undertakings.

As far as budgeting is concerned, special attention should be paid to the ERDF's medium-term aims as an instrument of Community structural policy. It would therefore be more sensible to fix the ERDF's resources initially for a three-year period. Nonetheless, the European Parliament must have the right each year to decide on the ERDF's resources in the light of practical necessity and financial feasibility.

The Committee also considers that the Commission must continue to produce an annual report on the activities of the ERDF and that the Economic and Social Committee's views on this report must be sought.

Finally, the Committee considers that provision must be made in future for funds commensurate with the wider field of activity of regional policy. The Committee based its Opinion on material prepared by its Section for Regional Development under the chairmanship of Mr A. LAVAL - France - Workers. The Rapporteur was Mr CREMER - Germany - Workers.

Speech by Mr GIOLITTI, Commission member

Taking the floor, Mr GIOLITTI began by thanking the Economic and Social Committee for the work it had put in. He went on to stress the part management and labour could play in implementing regional policy.

The active participation of all interested parties was needed here. This was why contacts with the Committee and with local and regional authorities would be stepped up.

Mr GIOLITTI shared the views of the Economic and Social Committee on the importance of the links between regional policy and the other Community policies. All these policies needed to be coordinated as early as the preliminary planning stage. Regional policy had to be a structural policy, it could not be a sectoral policy or a short-term economic policy. Regional policy essentially had a geographical dimension. To be able to evaluate the projects and the results obtained, the Commission had decided to make a detailed study of the situation every two years.

Mr GIOLITTI then raised one or two specific points such as (a) the role played by the Regional Policy Committee in coordinating the various Community and national measures and (b) the usefulness of infrastructure projects, for which the possibilities of financial support had recently been expanded. Such projects were a pre-requisite for future regional development, even though they did not immediately create jobs.

Mr GIOLITTI also informed members of some ideas the Commission had in mind concerning the expansion of financial support such as loans to help solve the problems of risk capital or to insure against exchange risks. The Commission's proposals on these matters were, however, still under study.



Commissioner GIOIITTI at the debate on regional policy.

From left to right : Mr DELEINI (Secretary-General), Mr de FERRANTI (Committee Chairman), Commissioner GIOIITTI and Mr van GREUNSVEN (Committee Vice-Chairman).

Some degree of coordination was also needed in respect of the disincentives existing in various Member States, which were liable to give rise to distortions. The Regional Policy Committee would seem to be the proper body to carry out a study in this field.

Mr GIOLITTI finally referred to the allocation of funds as agreed upon in the past and said there was a need for a number of adjustments. To try to put things back on an even keel, the non-quota section should be strengthened.

3. Regional Fund Report

European Regional Development Fund - Second Annual Report (1976) and the summary of the Annual Information for 1977

Gist of the Report and the Summary

The Fund's budget for 1976 amounted to 500 million u.a. The Commission adopted 307 grant decisions in respect of 1,545 investment projects, representing a total volume of investment of 4,732 million u.a.

As in 1975, all appropriations available were committed. One quarter of the commitments was for projects in the industry and services sectors, which created or maintained 55,000 jobs, and three quarters were for infrastructure projects.

The Commission notes that, as in 1975, no Member State made use of the interest rebates on loans from the European Investment Bank, provided for by the Fund Regulation.

The Commission also stresses the importance of regional development programmes to the granting of Fund assistance in the future. These will enable priority measures which should receive help from the Fund to be determined more easily than in the past and will also ensure that the activities of the different Community funds are properly coordinated and fit in with the activities of the national authorities.

The Commission considers that in the next few years, it will be very difficult to achieve an effective regional policy in the Community. Not only are there problems linked to the slow recovery, such as low growth, depressed investment, budgetary austerity and continuing unemployment due to productivity rising faster than output, but several structural trends are also disquieting. For example, the potential labour supply will rise substantially until around 1985 and various important industries are vulnerable to competition from outside the Community.

Gist of the Opinion

The Economic and Social Committee adopted unanimously this Opinion.

The Committee approves the Report on the activities of the European Regional Development Fund 1976.

The Committee agrees with the Commission in deploring the failure of Member States to utilize the loan interest rebate facilities for infrastructure projects and welcomes the proposed extension of these facilities to industrial and service projects.

The Committee approves the vigilance of the Commission in ensuring that there is a visible impact of the Fund contributions on the extent of national regional activity. Apart from normal project identification and budgetary acknowledgements, the Committee recommends that the Annual Report should provide a statistical summary of the annual national regional aid expenditure in each Member State over a number of years to show that the trend of national effort does not diminish.

The Committee approves the priority which the Commission attaches to cooperative cross-border projects between the Member States and urges the encouragement of appropriate applications.

In its report the Commission refers to 131 inspections compared with a total of 2,728 projects. The Committee questions the adequacy of this sample check, especially in the initial years of the Fund operation.

The Committee approves the emphasis in the Report on the necessity for action to ensure coordination in Community policies and coherence in the aid from the various Community financial instruments.

The Committee based its Opinion on material prepared by its Section for Regional Development under the chairmanship of Mr LAVAL - France - Workers. The Rapporteur was Mr LOUGHREY - Ireland - Employers.

4. Protection of Workers from Vinyl Chloride

Proposal for a Council Directive on the Approximation of Member States' Laws, Regulations and Administrative Provisions on the Protection of the Health of Workers Occupationally Exposed to Vinyl Chloride Monomer

Gist of the draft Directive

The object of the proposed Directive is to align laws, regulations and administrative provisions protecting workers exposed to the effects of vinyl chloride monomer (VCM) in their working area. Article 1 lists the type of works covered.

Article 2 defines the terms "working area" and "technical long-term limit value", Articles 3-8 cover the monitoring of VCM concentrations and Articles 9 and 10 deal with the medical surveillance of exposed workers.

Articles 11 and 12 propose that a committee should be set up, consisting of representatives of the Member States and with a representative of the Commission as chairman. The Committee's purpose would be to review the Directive at least every two years in the light of developments in technology and occupational medicine.

Gist of the Opinion

The Economic and Social Committee adopted unanimously this Opinion.

The Committee proposes that consideration be given to establishing a European agency which would investigate dangers associated with industrial materials prior to their use in industry as well as a data bank designed to record the effects of dangerous materials.

The Committee points out that the "total cumulative" effect of the chemical environment upon the worker and his family, especially in the industrialized parts of Europe, must be taken into account. Research should look into the cumulative effects of promoters and catalysts which could possibly contradict the criterion of an "acceptable risk" of VCM exposure.

The Committee recommends that the Commission should give specific attention to the environmental effects of VC. Concern has been expressed about possible risks to the general public. Furthermore, the Committee urges the Commission to prepare also a Directive on the processing of the polymer and on the storage, handling and use of VC and PVC.

The Committee endorses the ultimate objective of the Directive, which is to achieve a level of exposure to vinyl chloride as close to nil as technically feasible. The Committee considers that the Directive should be reviewed not only every two years but so often as this is technically feasible or is called for on account of radical developments.

Although the Committee welcomes the Commission proposals to lower to 3 ppm the maximum concentrations for new and existing plants, it notes that many existing plants already have lower concentration levels and that this is technically feasible (progress towards a level close to nil). The Committee, therefore, recommends

that the Directive stipulate that for new firms a level as close to nil as possible be adhered to. The Committee could, however, agree to a level of 1 ppm in the case of new plants for a very short transitional period.

For the existing plants the Committee accepts the maximum concentration of 3 ppm but suggests that by 1 January 1980 at the latest a level of exposure to vinyl chloride as close to nil as technically feasible should be reached.

The Committee proposes that the medical records of workers employed in VCM/PVC works should be kept during the lifetime of the worker so as to take account of the latency period and any change in his jobs thereafter.

The Committee based its Opinion on material prepared by its Section for Social Questions under the chairmanship of Mr HOUTHUYS - Belgium - Workers. The Rapporteur was Mr van RENS - Netherlands - Workers.

5. Energy Saving and Alternative Heat Sources

- a) Proposal for a Council Regulation (EEC) on the Granting of Financial Aids to Demonstration Projects in the Field of Energy-Saving and the
- b) Proposal for a Council Regulation (EEC) on the Granting of Financial Support for Projects to Exploit Alternative Energy Sources.

Gist of Proposal a)

With the aim of bringing new energy-saving techniques into the market place, the Commission proposes granting financial assistance for "Community projects". These should relate, inter alia, to :

- heat pumps;
- heat recovery;
- combined production of heat and power;
- energy storage;
- rationalization of the use of energy in industry;
- low-energy dwellings.

Community support would only constitute a minority share of the financing (e.g. maximum 40%). It would take the form of grants, repayable under certain conditions, within the appropriations set aside in the Community budget (e.g. total commitments of 144 MEUA over a 3-year period).

An Advisory Committee on the Management of Demonstration Projects consisting of representatives of the Member States would assist the Commission in project selection and in monitoring the scheme.

Gist of Proposal b)

As part of an overall package to develop alternative energy sources, the Commission puts forward a scheme of financial support for reference projects on, inter alia :

- exploitation of geothermal fields;
- conversions of solid fuels into hydrocarbons.

Community aid would only constitute a minority share of total expenditure. In the case of geothermal projects, this might be limited to 40% at the exploration phase - of which half would be repayable if results were positive - and 20% at utilization phase, repayable in full.

The total commitment of Community funds over five years might amount to 83 MEUA for geothermal projects and 65 MEUA for projects on the gasification and liquefaction of coal.

The Commission would be assisted by Advisory Committees on the Management of Reference Projects consisting of representatives of the Member States.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion on these proposals.

- a) Proposal for a Council Regulation (EEC) on the Granting of Financial Aid to Demonstration Projects in the Field of Energy Saving

The Committee supports the objectives specified in the Commission's proposal. The provisions must be of real benefit to society and individuals.

Under this plan, financial assistance, amounting to an estimated 144 MEUA over 3 years, would be granted for "Community projects" which relate, inter alia, to :

- heat pumps;
- heat recovery;
- combined production of heat and power;
- energy storage;
- rationalization of the use of energy in industry;
- low-energy dwellings.

The Committee, however, calls for the inclusion of financial details in the text of the Regulation. The latter should make clear who would receive aid and under what terms. It should also specify the conditions under which Community grants would be repayable and the use to which monies, so recovered, would be put.

Financial support should, in the Committee's view, be allocated on a priority basis, taking into account :

- the size of the probable energy savings;
- the speed with which the technique can be applied;
- the number of consumers who might benefit;
- the size of the Community's financial contribution.

Subsidized projects must also be part and parcel of an anti-inflationary policy.

- b) Proposal for a Council Regulation (EEC) on the granting of financial support for projects to exploit alternative energy sources

The Committee endorses the scheme to grant financial support for reference projects on, inter alia :

- exploitation of geothermal fields;
- gasification and liquefaction of coal.

Community aid, which would only constitute a minority share of total expenditure, might amount over five years to 83 mEUA for geothermal projects and 65 mEUA for the gasification and liquefaction of coal.

The Committee believes that efforts to develop new techniques and alternative sources, are vitally important but that they must be seen as part of a package of Community measures to develop and ensure an adequate level of energy production.

Provided the scheme is carefully managed, the Committee believes it would facilitate the transition of new technologies from the R & D stage to that of practical application. Community aid must, however, complement national support and not replace it.

The Committee considers that the Advisory Committee on Management proposed by the Commission should include representatives of the economic interest groups concerned.

The Committee based its Opinion on material prepared by its Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr CROESE - France - Workers.

6. Heat Generators and Insulation

Communication from the Commission to the Council concerning the Community Action Programme for Rational Use of Energy (RUE) - Second Series of Legislative Proposals

- a) Council Directive Proposal on the Performance, Maintenance and Regulation of Heat Generators and the Insulation of the Distribution System in New Buildings
- b) Draft Council Recommendation on the Regulating of Space Heating, the Production of Domestic Hot Water and the Metering of Heat in New Buildings
- c) Draft Council Recommendation on the Rational Utilization of Energy in Industrial Undertakings
- d) Draft Council Recommendation on the Creation in the Member States of Advisory Bodies on Combined Heat and Power Production in the Industrial Sector and for District Heating

Gist of Proposal a)

The Commission proposes that heat generators used for space heating and centralized domestic hot water production installed in new buildings should have to conform with standards approved by the Member States. Heat generators would have to carry a plate showing various data on manufacture and performance. Units with heat ratings above 300 kW would have to be fitted with high/low/off or modulating controls. Clients would have to be supplied with detailed written instructions on operation and maintenance. Multifuel units should have the burners appropriate to each type of fossil fuel approved.

Member States are also directed to take the necessary measures so that an economical degree of insulation for distribution systems and the storage of fluid heat is made compulsory.

Gist of the Recommendation b)

It is recommended that heating systems in offices and public buildings be fitted with automatic temperature programming and regulating devices. During occupation, the maximum temperature in the building should be 20°C, and 22°C in any one room. Automatic regulating devices should be fitted in new residential accommodation. Standards should be set for the production of domestic hot water in new buildings. New buildings should also be equipped with heat metering systems which would permit equitable apportionment of heating charges between individual occupants.

Gist of the Recommendation c)

All Member States are recommended to set up national or recognized bodies to promote energy saving.

Member States are recommended to ensure that industrial undertakings employing more than 100 persons :

- establish an adequate internal organization for drawing up and supervising an energy savings programme (e.g. Energy Manager);
- communicate information on energy-saving results to appropriate bodies;
- to devote a chapter of their annual report to their energy consumption.

Gist of the Recommendation d)

It is recommended that Member States set up advisory bodies on the combined production of heat and power. These bodies should promote both the increased efficiency in the supply of industrial heat and the development of district heating. They should encourage:

- increased heat production by public power stations;
- the concentration of heat production;
- wider cooperation between electrical utilities and heat consuming industries;
- identification and removal of legal obstacles;
- reservation of sites for combined heat and power stations;
- financial inducements;
- better information for small- and medium-sized undertakings.

Gist of the Opinion

The Economic and Social Committee adopted unanimously this Opinion.

The Committee generally welcomes the Commission's initiatives on which it makes a number of specific recommendations.

a) Council Directive Proposal on the Performance, Maintenance and Regulation of Heat Generators and the Insulation of the Distribution System in New Buildings.

Under this proposal, heat generators used for space heating and centralized domestic hot water production installed in new buildings should have to conform with standards approved by the Member States. Heat generators would have to carry a plate showing various data on manufacture and performance. Units with heat ratings above 300 kW would have to be fitted with high/low/off or modulating controls. Clients would have to be supplied with detailed written instructions on operation and maintenance. Multifuel units should have the burners appropriate to each type of fossil fuel approved.

The Committee requests the Commission to :

- make a stronger statement of intent to harmonize performance characteristics of heat generating equipment used in the Community;
- provide more specific guidelines to the Member States on the type of maintenance programme they should adopt;
- study the applicability of the proposed measures to hospitals.

The Committee also hopes the Commission will follow up the measure with specific proposals on :

- construction standards to reduce heat losses (walls, roof, windows, etc.);

- standards for regulated ventilation systems;
 - recommendations on building design in relation to outdoor climate in different regions (location, shape and landscaping).
- b) Draft Council Recommendation on the Regulating of Space Heating, the Production of Domestic Hot Water and the Metering of Heat in New Buildings.

It is proposed that heating systems in offices and public buildings be fitted with automatic temperature programming and regulating devices. During occupation, the maximum temperature in the buildings should be 20°C, and 22°C in any one room. Automatic regulating devices should be fitted in new residential accommodation. Standards should be set for the production of domestic hot water in new buildings. New buildings should also be equipped with heat metering systems which would permit equitable apportionment of heating charges between individual occupants.

The Committee accepts that it would be inopportune to recommend specific temperature levels in residential accommodation. But it believes the Commission should not rule out hope of establishing Community guidelines at a later stage.

It suggests that temperature programming devices should be subject to approval to ensure that they meet satisfactory performance standards. Alternatively, builders and prospective new house purchasers should be provided with comparative data on the performance of the heat regulating systems available on the market.

c) Draft Council Recommendation on the Rational Utilization of Energy in Industrial Undertakings

The Committee backs the proposal to set up national or recognized bodies to promote energy saving but, at the same time, warns against a proliferation of such agencies.

It disagrees, however, with the obligation on industrial undertakings employing more than 100 persons to :

- establish an adequate internal organization for drawing up and supervizing an energy savings programme (e.g. Energy Manager);
- devote a chapter of their annual report to their energy consumption.

It believes that these measures are neither suitable nor necessary for achieving further energy savings and should accordingly be left to the discretion of firms.

d) Draft Council Recommendation on the Creation in the Member States of Advisory Bodies on Combined Heat and Power Production in the Industrial Sector and for District Heating

The Committee believes that the Community can play a useful coordinating and catalytic role in this area which promises significant savings, but where much work has yet to be done.

The Advisory Bodies, envisaged by the Commission, would be designed to promote both the increased efficiency in the supply of industrial heat and the development of district heating. Specifically, they should encourage :

- increased heat production by public power stations;
- the concentration of heat production;
- wider cooperation between electrical utilities and heat consuming industries;
- identification and removal of legal obstacles;
- reservation of sites for combined heat and power stations;
- financial inducements;
- better information for small- and medium-sized undertakings.

The Committee suggests that this promotional work might well be carried out under the supervision of the agencies in the Member States which should have overall responsibility for rational energy use.

The Committee based its Opinion on material prepared by its Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr HIPPEL - Germany - Employers.

7. Energy Saving - Existing Buildings

Communication from the Commission to the Council regarding
Energy Savings from the Modernization of Existing Buildings
in the Community

Gist of the Proposal

To reduce energy consumption for space heating, the Commission has put forward a draft Council Directive which would oblige Member States to adopt measures to modernize existing buildings with an estimated useful life of at least 20 years. Emphasis is to be placed on better insulation of walls and roofs, double glazing, the improvement of heating systems and the use of thermostats and meters.

The measures are to be applied to :

- not less than 20% of existing public buildings by 31 December 1985;
- not less than 30% of existing dwellings by 31 December 1985;
- not less than 20% of commercial and office premises by 31 December 1985.

Gist of the Opinion

The Economic and Social Committee unanimously adopted the following Opinion.

The Committee endorses the objective of the Commission's proposal, which is to economize on the use of energy in existing buildings.

The proposed Directive would oblige Member States to modernize existing buildings with an estimated useful life of at least 20 years, by better insulation of walls and roofs, double glazing, improved heating systems, use of thermostats, etc. The measures are to be applied to :

- not less than 20% of existing public buildings by 31 December 1982;
- not less than 30% of existing dwellings by 31 December 1985;
- not less than 20% of commercial and office premises by 31 December 1985.

The Committee, however, emphasizes the differences in climatic and other conditions in the Member States and the difficulty in checking that improvements are carried out. It would, therefore, prefer the measure to be adopted as a Recommendation.

The Opinion goes on to recommend that the measures adopted should :

- promote insulation techniques which have a reasonable pay-off period;

- encourage landlords who are not responsible for heating costs, to improve insulation of their property;
- take adequate account of health factors (humidity, air circulation requirements).

The Committee takes the view that financial incentives for improving insulation and heating systems in existing buildings should be complemented by :

- Research and development to derive new and better materials and techniques for improving energy use in existing buildings;
- Public information campaigns to ensure that the individual is in possession of the best data on which to base his investment decisions.

The Committee based its Opinion on material prepared by its Section for Energy and Nuclear Questions under the chairmanship of Mr MILLER - United Kingdom - Employers. The Rapporteur was Mr AMUNDSEN - Denmark - Employers.

8. Pleasure Boats

Proposal for a Council Directive on the Approximation of the Laws of the Member States relating to Boats and their Fittings

Gist of the Commission Proposal

The Directive has been proposed pursuant to the 1973 General Programme on the Removal of Technical Barriers to Trade. It deals principally with barriers in two areas : (a) mandatory

technical specifications and (b) inspections which have to be carried out in different forms in the Member States.

The document therefore proposes an EEC-type approval procedure for individual parts, features and fittings and an EEC approval procedure for pleasure craft. Technical specifications for each individual part, as well as their installation and operation, will be dealt with in specific Directives at a later stage.

Harmonization will be optional, although some specific Directives may provide for "total" harmonization.

Gist of the Opinion

The Economic and Social Committee adopted unanimously this Opinion.

The Committee welcomes the proposal since trade could be impeded by disparities between national standards.

This is an outline Directive, and specific Directives will follow laying down technical specifications for individual parts, features, fittings and methods of inspection. The Committee trusts that the scope of these specific Directives will be limited to certain types of boats, with particular attention being paid to the parameter "length".

The Committee further considers that specific Directives should be proposed only where it is proven that they are genuinely necessary in order to promote quality and safety, and reduce damage to the environment. The need for specific Directives should be evaluated on the basis of statistics showing the number of fatalities, injuries and damage caused by pleasure craft.

No such statistics are yet available at Community level. Until they are compiled, the Commission should base itself on the United States' statistics of boating accidents.

The accident statistics show that in planning the programme of specific Directives, priority should be given to the following aspects of boat construction :

- individual and collective lifesaving appliances;
- stability, reserve buoyancy and bulkhead subdivision;
- fire precautions;
- fuel system;
- liquefied gas system.

The Committee based its Opinion on material prepared by its Section for Industry, Commerce, Crafts and Services under the chairmanship of Mr HETTLER - Luxembourg - Employers. The Rapporteur was Mr MASPRONE - Italy - Employers.

9. Community Quota

Proposal for a Council Regulation (EEC) Amending Council Regulation No. 3164/76 on the Community Quota for the Carriage of Goods by Road between Member States

Gist of the Proposal

The main point about the Commission proposal is that it seeks to double the total number of Community road haulage permits divided between the Member States as from 1 January 1978 (100% increase over the figure for the previous year).

The 1978 total would be 4,726, allocated between the Member States as follows :

1978 quotas (total <u>4,726 permits</u>)		1977 quotas - total <u>2,363</u> <u>permits</u> (Reg. No. 3164/76 of 16 December 1976)	
Belgium	515		265
Denmark	372		169
Germany	880		427
France	772		409
Ireland	85		50
Italy	710		319
Luxembourg	126		70
Netherlands	766		382
United Kingdom	500		272

The Commission argues that a doubling of the overall total of Community permits should not have major repercussions on the situation of competition on the market since in the first place the

traffic using Community permits only accounts for about 7% of international for-hire traffic, or about 3.8% of total international traffic, and in the second place, the growth that has taken place in haulage capacity makes such an increase necessary.

The Member State quotas have been allocated in a pragmatic fashion, namely, 50% of the increase has been allocated according to the extent of utilization of the quotas in 1975, the other 50% has been distributed in a straight linear increase in proportion to the 1974 quotas laid down by Regulation (EEC) No. 3256/74.

Gist of the Opinion

The Economic and Social Committee adopted its Opinion by 51 votes to 10 with 12 abstentions.

The Committee approved the Commission's proposal to double the number of Community haulage permits for 1978 from 2,363 to 4,726.

It agreed with the Commission that the number of permits should progressively be stepped up to meet the increasing needs of the international road haulage industry.

It did not think that doubling the number of permits would have major repercussions on the market since only between 4 and 7% of traffic was involved.

The Committee expressed reservations, however, about the manner in which the 1978 quotas had been allocated, on the basis of 1975 returns. In 1975 the rules governing the use of permits had varied from one Member State to another, some Member States requiring their quota of Community permits to be used up before other permits were utilized, other Member States not imposing any such restriction.

The rules on the use of permits had since been loosened up by Regulation No. 3164 of 16 December 1977. The Committee wondered whether the Commission had taken this fact into consideration.

The Committee based its Opinion on material prepared by its Section for Transport and Communications, under the chairmanship of Mr HOFFMAN - Germany - Workers. The Rapporteur was Mr RENAUD - France - Employers.

10. Soya Beans

Proposal for a Regulation (EEC) of the Council amending Regulation (EEC) No. 1900/74 Laying Down Special Measures for Soya Beans

Gist of the Commission Proposal

The Commission has examined the development of soya production in the Community and looked into whether existing arrangements for market organizations are sufficient to achieve the aims referred to in Regulation (EEC) No. 1900/74.

The Commission believes that the aims of Regulation (EEC) No. 1900/74 - particularly the promotion of soya production - have not been fully achieved to date, mainly on account of factors

unconnected with the subsidy scheme. It would, therefore, be premature to abandon the scheme though the latter should be modified to provide producers with a better income guarantee for a limited period.

Gist of the Opinion

The Economic and Social Committee adopted unanimously its Opinion.

The Committee endorses the proposal but points out that if soya-bean growing is to be genuinely encouraged, the relationship between the prices paid for soya beans and those paid for other crops must be more realistic. The Committee also considers that the production of all protein-rich crops should be expanded, particularly those which are already well suited to the soils and climate in the Community.

The Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA - Italy - Various Interests. The Rapporteur was Mr CLAVEL - France - Various Interests.

11. Potato Ring Rot

Proposal for a Council Directive on the Control of Potato Ring Rot

Gist of the Proposal

The Commission is proposing a series of measures for detecting, confining and eradicating potato ring rot.

Gist of the Opinion

The Economic and Social Committee unanimously adopted its Opinion, less 7 abstentions.

The Economic and Social Committee recognizes the need for Community control measures to prevent potato ring rot from spreading beyond identified centres of infection.

It nevertheless considers that the draft Directive in question is too perfectionist and should contain only those provisions that are really necessary.

In this connection the Committee considers that concrete research is needed to identify the areas of the Community in which infection has broken out.

The Committee based its Opinion on material prepared by its Section for Agriculture under the chairmanship of Mr EMO CAPODILISTA Italy - Various Interests. The Rapporteur was Mr WICK - Germany - Employers.

II. - EXTERNAL RELATIONS

An Economic and Social Committee delegation visits the international fair of Salonika

On 14 September 1977 an Economic and Social Committee delegation comprising notably Mr CARSTENS, Chairman of the Section for External Relations, as well as Mr STARATZKE and Mr DE RIDDER respectively Chairman and Rapporteur of the Section's Study Group on Greece, and Mr SCALIA took part in a round table discussion on the European Community at the International fair of Salonika.

The discussion was chaired by the Minister for Northern Greece and revolved round the theme : "The participation of economic and social interests in the construction of Europe". The Economic and Social Committee found itself at the heart of the discussion.

The European Community has been represented at the Salonika fair on several previous occasions and last year the spotlight was turned on the European Parliament.

III - NEW REQUESTS FOR OPINIONS

During the months of July and August the Council asked the Committee for Opinions on :

Proposal for a Council Directive amending Directive 64/432/EEC on, as regards Brucellosis, the Buffered Brucella Antigen Test, 45/20 Vaccine and the Inconclusive Range to the Serum Agglutination Test;

Proposal for a Council Directive Prolonging Certain Derogation Measures in Relation to Brucellosis and Tuberculosis Granted to Denmark, Ireland and the United Kingdom;

Proposal for a Council Directive concerning Certain Products Used in Animal Nutrition;

Proposal for a third Council Directive amending Directive 70/524/EEC concerning Additives in Feedingstuffs;

Proposal for a Council Directive amending the Directive 74/63/EEC on the fixing of maximum permitted levels for undesirable substances and products in feedingstuffs and amending the Directive 70/373/EEC on the introduction of Community methods of sampling and analysis for the official control of feedingstuffs

Proposal for a Council Regulation laying down Uniform Costing Principles for Railway Undertakings

Proposal for a Multi-Annual R & D Programme in the Field of Primary Raw Materials (Indirect Action) (1978-1981)

Proposal for a Council Decision adopting a Second 3-Year Plan of Action in the Field of Information and Documentation in Science and Technology, accompanied by a Commission memo to the Council;

Communication from the Commission to the Council on the Common Policy in the Field of Science and Technology

Communication from the Commission to the Council on the Points for a Community Strategy on the Reprocessing of Irradiated Nuclear Fuels including a draft Council Decision on the Setting up of an Ad-Hoc Committee on the Reprocessing of Irradiated Nuclear Fuels;

Communication from the Commission to the Council on the Fast Breeder Option in the Community Context - Justification, Achievements, Problems and Action Perspectives;

Communication from the Commission to the Council on a Community Plan of Action in the Field of Radioactive Waste;

Proposal for a Council Decision Adopting a Programme of Research and Development for the European Atomic Energy Community on Uranium Exploration and Uranium Extraction;

Second Report on the Achievement of Community Energy Policy Objectives for 1985 accompanied by a draft Council; Resolution

Proposal for a Council Directive amending the Directive of 20 May 1975 75/319/EEC on the Approximation of Provisions Laid Down by Law, Regulation or Administrative Action relating to Proprietary Medicinal Products;

Communication from the Commission to the Council concerning an Action Programme for Aeronautical Research;

Proposal for a Council Directive on the Approximation of the Laws of the Member States relating to the Driver's Seat on Wheeled Agricultural or Forestry Tractors;

Proposal for a Council Directive on the Harmonization of Provisions Laid Down by Law, Regulation or Administrative Action in Respect of Standard Exchange of Goods Exported for Repair;

Proposal for a Council Regulation amending Regulations (EEC) Nos. 1408/71 and 574/72 on the Application of Social Security Schemes to Employed Persons and their Families Moving within the Community;

Proposal for a First Programme of Research Actions in the Sector of Medical and Public Health Research

Proposal for a Directive on the Protection of Participants in Home-Study Courses

Proposal for a Council Recommendation on the Fluorocarbons in the Environment

RIGHT OF INITIATIVE OPINIONS

- State of the Customs Union
- Credit Insurance and Export Credit Guarantees
- Forestry problems in the Community

IV. - PROVISIONAL PROGRAMME OF FUTURE WORK

October 1977 Plenary Session

Requested Opinions

- Brucellosis
- Brucellosis Derogations
- Castor Seeds
- R & D (raw materials)
- Scientific and Technological Documentation
- Common Policy, Science and Technology
- Food Pricing
- Data Processing
- Proprietary Medicinal Products
- Social Security of Migrant Workers
- Annual Report
- Double Taxation
- Generalized Preferences
- Railway Costing Principles
- Social Fund - Measures to help Women and Regions

Own-Initiative Opinions

- Small and Medium-Sized Businesses

Study

- South and East Mediterranean - Community Agreements

November 1977 Plenary Session

Requested Opinions

- Animal Feedingstuffs
- Alcohol
- Nuclear Fuel Reprocessing
- Fast Breeders
- Radioactive Waste
- Uranium R & D
- Defective Products
- Recovery of Import/Export Duties
- Tractor Seats
- Goods Exported for Repair
- Emulsifiers
- Medical Research
- Home-~~Study~~ Courses
- Green Paper
- Commercial Agents
- Producer Groups
- Aeronautical Research

Own-Initiative Opinions

- East-West Transport

Study

- Tax Alignment

December 1977 Plenary Session

Requested Opinions

- Energy Policy Objectives
- Paper Recycling
- Urban Concentrations
- Physical Properties of Food

Own-Initiative Opinions

- Mediterranean Agriculture

Subsequent Plenary Sessions

Own-Initiative Opinions

- Part-Time Working
- Education and Training of Young People
- Intake of Medicine

Study

- Community/Greece Relations
- Community/State-Trading Country Relations
- Asbestos

MEMBERS' NEWS

Appointments

The Council of the European Communities has appointed new members of the Economic and Social Committee :

- On 18 July 1977, Mr T. JENKINS in place of Mr WALSH, who has resigned
- On 13 September 1977, Mr J.H. CURLIS in place of Mr HARKIN, who has resigned.

Resignations

Two members have resigned : Mr Ugo LUCIANI and Mr Giacinto MILITELLO.

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On 22 September, Mr Gérard WISSELS was appointed Secretary-General of the International Trade Organization and the Committee of Commercial Organizations of the EEC (COCCEE).

**PUBLICATIONS OBTAINABLE FROM THE ECONOMIC
AND SOCIAL COMMITTEE**

Periodical

- Bulletin (monthly publication)

General Documentation

- The Economic and Social Committee (leaflet) (January 1975)
- The Economic and Social Committee (April 1975)
(A descriptive brochure) 16 p.
- Annual Report (1976) 80 p. (1975) 62 p. (1974) 60 p. (1973) 64 p.
- Directory (January 1977)
(List of members) 42 p.

Opinions and Studies

- Community Nuclear Safety Code (July 1977)
(Study) 50 p.
- Regional Development - Unemployment and Inflation (June 1977)
(Opinion) 130 p.
- Research and Development (November 1976)
(Study) 35 p.
- Systems of education and vocational training
(August 1976) (Study) 114 p.
- Regional Policy (March 1976)
(Opinion) 11 p.
- European Union (July 1975)
(Opinion) 33 p.
- Progress Report on the Common Agricultural Policy
(February 1975) (Study) 52 p.
- The Situation of Small and Medium-sized Undertakings in the
European Community (March 1975) (Study) 69 p.